



COMMITTEE ON THE BUDGET

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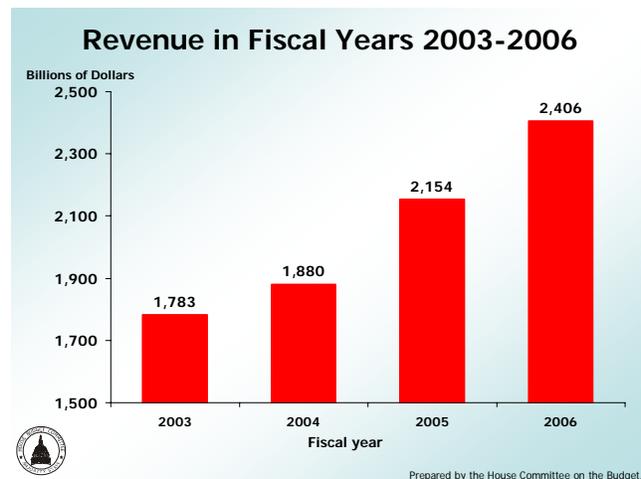
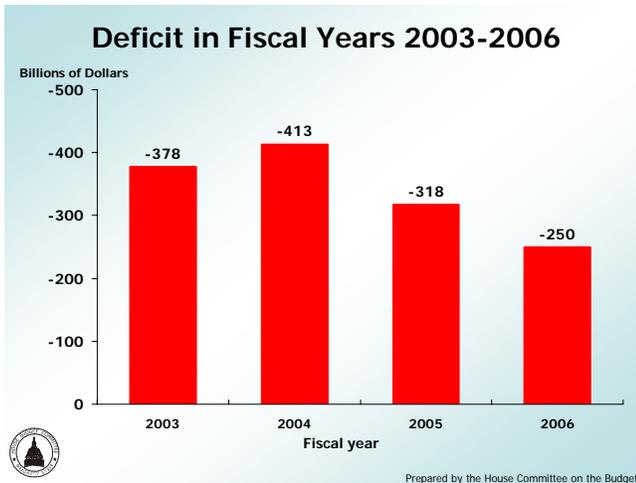
TALKING POINTS

FINAL FY06 DEFICIT ESTIMATE DROPS TO \$250 BILLION

CBO today estimated the final FY06 deficit at about \$250 billion – even lower than the \$260 billion it projected in August. This report again underscores that Republican policies supporting economic growth and job creation, coupled with spending restraint, continue to push down deficits.

CBO's Final FY06 Projections Show...

- A deficit drop of \$112 billion since January, and a decline of \$68 billion from FY05 actual deficit.
- Deficit below prior year for 2nd consecutive year.
- Deficit as a share of the economy (GDP) – currently at 1.9% – well below the average of the past 40 years.
- Federal revenues for FY06 running 11.8% ahead of last year – higher than the average of the past 40 years.
- Revenues growing at 11.8%, faster than the 7.4% growth in spending.



The Republican Plan Works!

Strong Growth, Lower Taxes, Higher Revenues, and Spending Restraint = Falling Deficits.

Keeping our proven Republican pro-growth policies in place is the only way to ensure continued improvement in our fiscal outlook, and provide the necessary framework to meet our nation's immense challenges – both today and in the future.